



2025

INDEPENDENT COMMUNITY PHARMACY LEGISLATIVE PRIORITIES

PBM TRANSPARENCY ACT OF 2025 (S. 526) *Enhancing PBM transparency for employers and consumers and providing greater enforcement authorities*

Background: Pharmacy benefit managers are middlemen that negotiate and manage prescription drug benefits on behalf of health insurance companies, self-insured employers, and government programs. As a result of consolidation, the three largest PBMs are now vertically integrated upstream with the three largest insurance providers, and downstream with mail-order, specialty, and retail pharmacies that compete directly with independent pharmacies. PBMs are unknown to most consumers (patients) and misunderstood by many employers and payers, but they profoundly influence U.S. health care decisions and drug pricing. PBM-insurers use this influence to increase profits at the expense of patient care, employer/plan costs, local pharmacy access, and pharmaceutical innovation. Currently, three PBMs control nearly 80 percent of the prescription drug market and operate with little transparency or accountability to payers or consumers.

Solution: Transparency for employers and consumers and greater enforcement authorities

The *Pharmacy Benefit Manager Transparency Act of 2025* (S. 526), introduced by Sens. Chuck Grassley (R-Iowa) and Maria Cantwell (D-Wash.), would increase drug pricing transparency for employers and plan sponsors and hold PBMs accountable for unfair and deceptive practices in the commercial market that drive up the costs of prescription drugs at the expense of consumers. The bill:

- Prohibits deceptive, unfair pricing schemes, including spread pricing and arbitrary clawbacks of payments made to pharmacies.
- Incentivizes transparent PBM practices by making clear that a PBM would not be in violation of the law if it:
 - Passes along 100 percent of rebates to the health plan sponsor; AND
 - Provides full disclosure of the cost, price, reimbursement and all charged fees, markups, and discounts to plan sponsor and pharmacy; OR
 - Provides the aggregate remuneration fees it receives from drug makers to health plans, payers, and any federal agency.Commission that discloses information like the total amount they pocket through spread pricing and pharmacy fees.
- Clarifies the enforcement authority of the FTC and state attorneys general to prohibit unfair or deceptive business practices PBM-insurers use in commercial health insurance.



Founded in 1898, the National Community Pharmacists Association is the voice for the community pharmacist, representing nearly 19,400 pharmacies that employ 215,000 individuals nationwide. Community pharmacies are rooted in the communities where they are located and are among America's most accessible health care providers. [To learn more, visit www.ncpa.org.](http://www.ncpa.org)